

NAMI Utah Affiliate Funds and Fundraising

Affiliates have 2 options for organizing as a NAMI affiliate. They can incorporate as an independent 501c3 or they can organize under the NAMI Utah state tax umbrella. Each option, along with their benefits and responsibilities are outlined below.

Benefits of being under NAMI Utah's 501c3

If a NAMI Affiliate is under NAMI Utah's State Organization Group Exemption, General Property and Liability Coverage may be provided by the NAMI State Organization's property and liability coverage. In addition, annual financial audits, board policies and procedures, incorporation filings, IRS forms, legal and financial reviews and charitable solicitation permits are all maintained by the state office.

Requirements of being under state's 501c3

- Annual Budget agreed upon by affiliate and ratified by the NAMI Utah State Finance Committee by July 1st
- Mandatory monthly reports where expenditures are tied into your budget
- Fundraising must be pre-approved by NAMI Utah State Board (document available)
- Any donations of \$500 or more to the affiliate must come through state office as NAMI Utah donations and earmarked with the affiliate's name to be deposited in their accounts
- Any stipend payments must go through NAMI Utah state office as W-9 and/or other documentation may be legally required.
- Must acknowledge that NAMI Utah has the right and may at any time require an affiliate to be subjected to an audit by our auditors. Documentation must be available to verify expenses.

NAMI Re-affiliation process for Affiliates operating under the NAMI State Organization

- Endorsement—Letter from NAMI State Organization verifying relationship and insurance coverage
- Incorporation—Articles of Organization
- IRS—Employer Identification Number (EIN)

Uses of NAMI affiliate funds by those under NAMI Utah's 501c3

NAMI Utah holds the charitable solicitation permit under its 501c3 status which allows for all fundraising efforts of and in-kind donations to NAMI affiliates in Utah. As such, it is responsible for overseeing the way that funds are collected and used within all of the NAMI Utah affiliates.

This document is to assist affiliates in deciding how to use affiliate funds. Please use it during affiliate meetings as budgets are discussed and the affiliate is considering fund usage

- Laminate class posters and keep for affiliate use
- Place advertisement of classes or events in local papers
- Printing of approved marketing materials

- Scholarships for state conference and/or national convention
- Mileage reimbursement for travel to Walk, State Conference, Advocacy Day on the Hill, or Affiliate Conference
- Cell phone for affiliate to accept call from individuals looking for groups/classes
- Co-host a community luncheon with local partners and/or NAMI Utah state office
- Office supplies (be sure to keep these costs to a minimum as they are considered administrative overhead). Big box stores in local communities are often willing to give small \$50 or \$100 donations of gift cards for uses such as office supplies.
- An annual Volunteer Appreciation event. Many of these costs can be offset through in-kind donations or local contacts (such as getting free printing of fliers announcing the event, food donations through local vendor, etc.)

If other funding uses are being considered, please contact the NAMI Utah state office to assure that fund uses are in line with NAMI Utah guidelines. Expenditures on non-approved items can result in funds being withdrawn from the affiliate and the affiliate no longer being permitted to use the NAMI Utah Charitable Solicitation permit.

Fundraising Efforts

Our auditor requires that we account for all funds raised in the name of NAMI Utah, and because Utah affiliates are part of our 501c3, this includes all affiliate fundraising.

Any fundraising must be pre-approved by the NAMI Utah State Board. This protects the individual requesting the funding as well as NAMI Utah as an organization. Please contact the State office prior to pursuing any fundraising or donation request efforts. NAMI Utah's charitable solicitation permit allows for fundraising within the affiliates as long as they are acting with the knowledge and permission of NAMI Utah. Any soliciting of funds or receipt of donations, whether items, money or in-kind donations, must be reported to NAMI Utah for accounting purposes.

Incorporating your NAMI Affiliate as a Separate Entity

What does it mean for my NAMI Affiliate to be incorporated?

Any organization that is incorporated has the rights and responsibilities associated with conducting its business in cooperation with the law. For an organization like a NAMI Affiliate, incorporation is the first step in on a path that will allow for benefits that are afforded to other charities – such as the legal right to solicit and accept donations and apply for state and federal tax exempt status. A NAMI Affiliate may choose to become incorporated, thereby creating a legal entity composed of individual members for the purposes of organization, operations, liability, longevity, holding property, and so forth. Incorporating your NAMI Affiliate also shifts certain legal liabilities from individuals to the organization itself.

Requirement of being incorporated as a separate 501c3 entity

Corporate Status: Incorporated; Must file Articles of Incorporation and renew by annual filing each year

IRS Tax Status: Individual 501c3 tax exempt status

Governing Documents: Bylaws and Articles of Incorporation; Policies and Procedures in alignment with documents required by NAMI and state and federal law

Insurance: Directors and Officers Insurance and Liability insurance--Individual coverage

Annual Electronic Filing of e-Postcard (for organizations whose annual gross receipts are less than \$50,000) or Form 990/990-EZ

IRS Reporting and Record-keeping requirements: “The organization must be able to document the sources of receipts and expenditures reported on its annual return and on any tax returns it must file. Records must support income, expenses, and credits reported on exempt organization annual returns and tax returns. For example, an organization needs to keep records of revenues derived from, and expenses attributable to, an unrelated trade or business so that it can properly prepare. Remember, even if 990-N is filed, or no return is filed, records must be maintained showing activities conducted, income received and expenses incurred.”

Affiliates incorporated with current IRS determination as a nonprofit 501(C)(3) corporation must provide to NAMI:

- Financial Audit (Annual)
- Board—Directors Contact List
- Board—Minutes (Meeting Minutes for previous 12-month period)
- Bylaws—most current
- Bylaws—Legal Review Letter
- Fund Raising—Proof of Registration as a State Public Charity
- Incorporation—Annual or Bi-annual filing (Certificate of Incorporation)

- Incorporation—Articles of Incorporation
- Insurance—Directors and Officers Policy Summary Page (proof of coverage)
- Insurance—General Liability Insurance Policy Summary Page (proof of coverage)
- IRS 501(c)(3) Tax Determination Letter
- IRS 990 (Forms Filed for 2008 and 2009)
- Policies—Board Operating Policies and Procedures
- Policies—Code of Ethics
- Policies—Compensation Policy
- Policies—Conflict of Interest
- Policies—Document Retention Policy
- Policies—Diversity, Inclusion & Nondiscrimination Policy
- Policies—Whistleblower Policy
- Public Policy Platform (Board-approved Public Policy Platform)
- Web—Website URL & Screen Capture